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SUBJECT: UNDERSTANDING TURKMENISTAN: DESCENT INTO FANTASY  
-- THE NIYAZOV ERA

ASHGABAT 00000778 001.2 OF 003

11. (U) Sensitive but unclassified. Not for public Internet.

12. (U) This is a two-part series. This first part reviews the Niyazov era and how he dragged his country into international disrepute. The second part suggests policy directions for Washington to consider, and reviews current constraints that will make Turkmenistan's recovery a long-term process.

AN EYEWITNESS TO HISTORY

13. (SBU) Ashgabat-based EU-TACIS Commission Adviser Michael Wilson has worked in the former Soviet Union since 1985 and in Turkmenistan since its independence in 1991. In the early 1990s, the Government of Turkmenistan welcomed him as an EU-appointed foreign adviser in the Cabinet of Ministers for reform and integration with the West. While Wilson certainly has no love for Niyazov, his historical perspective provides a different view of the tragi-comic-book version of reality Turkmenistan eventually became under Niyazov.

DESCENT INTO FANTASY

14. (SBU) Wilson maintains Turkmenistan at independence had especially good prospects for quickly joining the international community. As a far outpost of the Soviet Empire, it had not been especially exploited by, or even had very much contact with, the West. Even as a former Soviet colony, it retained much of its pre-Soviet social and

political culture.

15. (SBU) Wilson insists President Niyazov was very different in Turkmenistan's first years of independence from the commonly perceived madman he became by the end of his life. As an orphan, Niyazov had risen in the Soviet ranks by obediently learning his lessons well and keeping his mouth shut. According to Wilson, "Niyazov was a top-of-the-class student of Stalin. He was not a dim-witted functionary. To rise in that system, especially as a non-ethnic Russian, he couldn't have been the village idiot."

16. (SBU) In the first several years after independence, according to Wilson, Niyazov was a forward-looking and benign ruler eager to open to the West. He allowed his ministers and other senior officials to make their own decisions. "The new Western embassies and businesses simply picked up the phone and easily made appointments with anyone at all," instead of today's onerous system of diplomatic-note requests through the Foreign Ministry for even the most minor contact with the government. Unfortunately, Niyazov also empowered his early ministers to make contracts with foreign businesses, without any system of oversight or control.

17. (U) During the Soviet Empire, the KGB had maintained a sort of warped equilibrium within the society and was permissive, up to a certain point, about "corruption." And corruption was endemic -- e.g., double book-keeping, minor to even flagrant pilfering -- the long-established everyday way of surviving in a fundamentally dysfunctional ideological system. When the Soviet Union fell apart, the KGB lost its essential role as the governor on the throttle of corruption.

18. (SBU) According to Wilson, Western business people

ASHGABAT 00000778 002.2 OF 003

flocked to every newly independent republic, and Turkmenistan was no exception. Some of these people were legitimate, but there were also a lot of third-rate fly-by-nighters, including Americans, who had no compunction against bribery or any other flagrant violation of Western business standards, if it meant a few more dollars in their hucksterish pockets.

19. (SBU) One of the legitimate businesses in those early days was the Argentina-based energy company, Bidas Corporation, which got one of the first toe-holds in Turkmenistan's world-class hydrocarbon sector. According to Wilson, the first several years of the Bidas-Turkmenistan relationship were positive, especially because Bidas officials understood, or at least intuited, the Turkmenistani cultural need to treat Niyazov as a personal friend. But they had no cultural comprehension of what that "friendship" truly entailed. In the mid-1990s, when Niyazov decided to renegotiate the Bidas production sharing agreement more toward Turkmenistan's favor, Bidas balked. Wilson maintains that to Niyazov, this was a shattering violation of the traditional Turkmenistani value of obligations "between friends." With his narrow Central Asian vision, Niyazov saw personal betrayal by Bidas -- and, thus, by the West.

110. (SBU) At the same period, Wilson maintains, Niyazov took increasing note that he had a government of wildly corrupt ministers enriching themselves beyond his control. With his Soviet Union political underpinnings gone and the Soviet KGB in disarray, Niyazov reverted to the only other thing he knew -- the Central Asian historical memory of absolutist khans, which happened to mesh well with his Stalinist political heritage. He didn't want to -- and couldn't -- run back to Russia, and he believed "the West" had betrayed him. He began to kick out the more minor Western businesses and demanded absolute fealty from his minions. His constant railing against corruption in his government was not necessarily sheer hypocrisy, because he exiled his own shockingly corrupt son to Europe and never let him return permanently to Turkmenistan.

¶11. (SBU) What about Niyazov's own corruption -- his massive diamond rings and multi-billion-dollar slush funds in foreign bank accounts? According to Wilson, Niyazov blindly, by our standards, didn't see this as corruption but simply his "droits de seigneur" because he was by then the khan, the Turkmenbashi, the Father of all Turkmen, the apex of the pyramid. In Niyazov's own view, he held the wealth of the entire nation in trust for his people. And, of course, as khan, he had the right to dip into that wealth as he pleased. Thus, his white-marble edifice complex that has turned Ashgabat into one of the oddest capitals in the world.

¶12. (SBU) Two other seminal events may have pushed Niyazov over the cliff: the 2002 attempted coup d'etat against him, in which his own foreign minister was allegedly implicated; and his late 1990s heart by-pass surgery (it's generally accepted that such surgery can sometimes negatively affect the patient's subsequent mental equilibrium).

¶13. (SBU) By the end of his life in December 2006, Niyazov had become a malevolent buffoon to the international community and to many of his own people, and it became common

ASHGABAT 00000778 003.2 OF 003

practice to write off Turkmenistan as "Stalin's Disneyland."

¶14. (U) The second part of this series will attempt to look objectively at today's Turkmenistan.  
HOAGLAND